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ECONOMICS
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MARCH 2002 CONSTRUCTION AT \$874.0 BILLION ANNUAL RATE

Construction put in place during March 2002 was estimated at a seasonally adjusted annual rate of \$874.0 billion, 1 (± 5) percent below the revised February estimate of \$881.5 billion, according to the U.S. Commerce Department's Census Bureau. The March figure represents a 1 (± 5) percent increase over March 2001.

During the first 3 months of this year \$182.3 billion of construction was put in place, 1 (± 5) percent above the \$181.0 billion for the same period in 2001.

In constant (1996) dollars, the March annual rate was \$722.4 billion, 1 (± 5) percent below the revised estimate of \$728.1 billion for February.

PRIVATE CONSTRUCTION

Spending on new residential housing units was at a seasonally adjusted annual rate of \$294.5 billion in March, nearly the same (± 2 percent) as the revised February estimate of \$293.3 billion. Nonresidential building construction was at a rate of \$181.9 billion, nearly the same (± 3 percent) as the revised February estimate of \$182.5 billion.

PUBLIC CONSTRUCTION

In March, the estimated seasonally adjusted annual rate of public construction put in place was \$208.5 billion, 6 percent below the revised February estimate of \$220.8 billion.

April 2002 data will be released on June 3, 2002 at 10:00 AM EDT.

EXPLANATORY NOTES

In interpreting changes in the statistics in this release, note that month-to-month changes in seasonally adjusted statistics often show movements which may be irregular. It may take 2 months to establish an underlying trend for total construction and as long as 8 months for specific categories of construction.

The statistics in this release are estimated from several sources and surveys and are subject to sampling variability as well as nonsampling errors including bias and variance from response, nonreporting, and undercoverage. Estimates of the standard errors are provided in Table 4 for selected types of construction. Whenever a statement such as "2 (± 3) percent above" appears in the text, this indicates the range (-1 to +5 percent) in which the actual percent change is likely to have occurred. All ranges given are 90 percent confidence intervals. If the range contains zero, it is uncertain whether there was an increase or decrease; that is, the change was not statistically significant. For any comparison cited without a confidence interval, the change is statistically significant. Statistics for the current month are preliminary estimates subject to revision in following months as additional data become available. The average absolute percent changes from preliminary estimate to first revision for the major seasonally adjusted components are as follows: total construction, 0.6 percent; private construction, 0.7 percent; private residential construction, 0.7 percent; private nonresidential construction, 1.3 percent; and public construction, 1.6 percent.

More detailed data will appear in Current Construction Reports, C30/02-3, to be issued later this month. A discussion of sources and reliability of the data appears in Current Construction Reports, C30/01-5.

This press release is available on the date of issue through:

1. The internet at http://www.census.gov/const/c30_curr.html
2. The Commerce Department's on-line Economic Bulletin Board (EBB) and STAT-USA/Fax services. For more information, telephone (202) 482-1986.

In the May 2002 press release, normal revisions to unadjusted and seasonally adjusted data will go back to January 1998.

Table 4. Relative Standard Errors and Coefficients for Standard Errors of Changes

Type of construction	Relative standard error (percent)			Coefficient for changes	
	Monthly estimate	Year-to-date estimate	Annual estimate	Month-to-month change (k1)	Year-to-date change (k2)
Total construction	2	2	1	.03	.03
Private construction	3	2	1	.04	.03
Residential buildings	5	4	2	.06	.05
New housing units	2	2	1	.01	.02
1 unit	2	2	2	.01	.02
2 units or more	4	4	3	.03	.04
Nonresidential buildings	2	2	1	.02	.03
Industrial	3	3	2	.04	.04
Office	4	3	2	.05	.04
Hotels, motels	7	6	5	.09	.08
Other commercial	5	4	2	.06	.06
Religious	9	8	5	.12	.11
Educational	7	6	5	.10	.09
Hospital and institutional	6	6	5	.07	.08
Miscellaneous buildings	7	6	4	.09	.09
Public construction	2	1	1	.03	.01
Housing and redevelopment	8	5	4	.11	.07
Industrial	(NA)	(NA)	(NA)	(NA)	(NA)
Educational	3	3	2	.04	.04
Hospital	6	6	4	.08	.09
Other public buildings	3	2	2	.04	.03
Highways and streets	4	3	2	.05	.04
Military facilities	(NA)	(NA)	(NA)	(NA)	(NA)
Conservation and development	4	3	2	.06	.04
Sewer systems	6	4	3	.08	.06
Water supply facilities	8	6	3	.11	.09
Miscellaneous public	8	6	4	.11	.09

NA Not available.

Note: All statistics are based upon 2001 data. The coefficient (k1) for the month-to-month change is applicable to change from the previous month and change from the same month a year ago.

The standard errors (SE) for month-to-month and year-to-date changes may be approximated by the following formula with the appropriate coefficient shown in Table 4:

$$SE(\text{change}) = (k1 \text{ or } k2) (100 + \% \text{ change shown in table}).$$

For example, Table 1 shows that private 'industrial' construction decreased 3 percent from last month. The standard error of the 3 percent decrease is about equal to 4 percentage points:

$$SE(3\% \text{ decrease}) = (.04)(100-3) = (.04)(97) = 4\%$$

Once the standard error is available, one can construct a 90 percent confidence interval of the change by multiplying the standard error by 1.6. In the above example, an approximate 90 percent confidence interval of the 3 percent decrease for private 'industrial' construction would be between:

$$3 \text{ and } -9 \text{ percent } (-3\% \text{ plus or minus } 6\% (4\% \times 1.6)).$$